Single Regulatory Authority for Drug Pricing

322. SHRI MOTILAL VORA:
SHRI K. RAMA MOHANA RAO:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the Task Force Report headed by Shri Pronab Sen recommended for debranding essential drugs and a single regulatory authority for drug pricing;

(b) whether it is also a fact that the Task Force recommended for price ceiling for 314 medicines which fall under the category of "essential drugs";

(c) what are the other major recommendations made by the Task Force;

(d) whether Government have studied the Report; and

(e) if so, the action that has been taken by Government?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (e) A Task Force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life saving drugs at reasonable prices. The Task Force has submitted its report to the Government on the 20th September, 2005. Some of the salient recommendations of Task Force are, that Price Controls should be imposed on the 'essentiality' of the drug and not on the basis of turnover and it should be applied only to formulations and not to bulk drugs. Some of the other major recommendations of Task Force are to promote generic drugs, to encourage public health facilities, to revive the Public Sector Enterprises in the manufacture of drugs, to provide fiscal incentives in R&D activities in drugs, to provide financial support for implementation of Schedule M of Drugs and Cosmetics Act, 1940, to enact Drugs and Therapeutics (Regulation) Act, to establish a National Authority on Drugs and therapeutic (NADT), to establish price negotiation process for new patented drugs, to streamline the bulk procurement regime, to exempt the central excise & customs duty on cancer and anti HIV/AIDS drugs, to establish the State illness Funds in the States/Union Territories for BPL families, to reduce the excise duty on drugs from 16 to 8%, to enhance the exemption limit of SSI units from Rs. 1 crores to Rs. 5 crores, to establish a Settlement Commission which is authorized to settle the disputed overcharged amount from the pharma companies.

The Government in consultation with various stakeholders is examining the recommendations of the Task Force. Based on this a new Pharmaceutical Policy is likely to be announced shortly.

Case against Union Carbide Company

323. SHRIMATI BRINDA KARAT: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what steps Government have taken to bring the two foreign corporations charged with culpable homicide, namely Union Carbide Eastern, Hong Kong and Union Carbide Corporation, USA to justice;

(b) the reasons for which Government have not taken any action towards the extradition of the authorized representatives of these two corporations; and

(c) what factors are preventing Government from resuming attempts to extradite Warren Anderson, former Chairman of Union Carbide Corporation and prime accused in the criminal case and produce him in the ongoing criminal case in Bhopal?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) Union Carbide Eastern, Hong Kong and Union Carbide Corporation, USA were named as accused in the charge sheet filed by the Central Bureau of Investigation (CBI). However, during the trial these two companies did not authorize any person to appear on their behalf in the trial court and the court declared them as absconders. Consequently, the shares of M/s UCC, USA in Union Carbide India Ltd (UCIL) were attached by the court.

(b) and (c) The Government has taken action towards extradition of authorized representatives of these two Corporations. The summons issued by the trial court in favour of M/s UCE, Hong Kong was served on Mr. Peter J, Wintle, a solicitor of M/s DEACONS and the summons issued in favour of M/s UCC, USA was served on Mr. John Macdonald, Assistant Secretary of the company. Since they were not authorized by the respective companies to appear on their behalf in the trial court, further action could not be contemplated for the extradition of these two persons. Though the CBI moved the Ministry of External Affairs (MEA) to initiate extradition proceedings against Mr. Warren Anderson in the year 1993, the final